



**HAWAII LODGING & TOURISM**

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**TESTIMONY OF GEORGE SZIGETI  
PRESIDENT & CEO  
HAWAII LODGING & TOURISM ASSOCIATION**

**RE: SB 1201 Relating to the Transient Accommodations Tax**

**Committee on Tourism and Hawaiian Affairs  
Committee on Ways and Means  
Wednesday, February 20, 2013, 9:00am Room 211**

The Hawaii Lodging & Tourism Association opposes SB1201 which clarifies fees that are subject to the transient accommodations tax.

The Hawaii Lodging & Tourism Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 150 lodging properties representing over 48,000 rooms. Our lodging members range from the 3,499 rooms of the Hilton Hawaiian Village Waikiki Beach Resort to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawaii Lodging & Tourism Association strongly opposes SB 1201 Relating to Transient Accommodation Tax. This measure would impose the Transient Accommodation Tax onto resort fees. The resort fee is not part of the guest room accommodation. The resort fees are for ancillary benefits like the use of the gym and spa facilities, WiFi, and shuttle services to name a few.

These tax increases make a Hawaiian vacation more expensive and target the visitor industry at time when increased visitor arrivals are our best opportunity to increase revenue flowing to our state and to have more people working. It should be noted that we are already getting negative press locally and nationally about how expensive Hawaii has become.

Honolulu Star Advertiser, Wednesday, 2-13-13, Honolulu ranked as most pricey in the U.S. for Presidents Day Week end. ETN Global Travel Industry News Headlines, 2-12-13. "Honolulu most expensive destination to stay this Presidents' Day Weekend!!"

The visitor industry is the economic driver for our state economy, it provides over 166,000 jobs and growing and we should do everything within our power to insure that we keep the strong momentum built up over these past couple years. The revenues we seek will come with continued visitor arrivals and spending, which in turn will create more jobs.

The visitor industry is a fragile and highly competitive industry, by adding additional taxes on an already expensive destination only puts us at a severe disadvantage in the local and Global markets that we compete.

I appreciate this opportunity to testify in opposition of SB1201



THE SENATE  
27<sup>th</sup> LEGISLATURE  
REGULAR SESSION of 2013

COMMITTEE ON TOURISM & HAWAIIAN CULTURE  
Senator Brickwood Galuteria, Chair

COMMITTEE ON WAYS & MEANS  
Senator David Y Ige, Chair

2/20/2013  
Rm 211, 9:00 AM

SB SB 1201  
Relating to TRANSIENT ACCOMODATIONS TAX

Chair Galuteria, Chair Ige and Members of both Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii in opposition to this bill.

We are in opposition to this bill, because the proposed language defining a “resort fee” is extremely broad and we believe that it would cover services provided by the hotel (either itself or on a resale basis from third party vendors) that should NOT properly be considered provisioning transient accommodations.

For instance, at the OHANA East hotel, we do not have a resort fee, however under the definition in the bill, “any charge or surcharge imposed by a transient accommodations operator .....to a transient or occupant for the use of the transient accommodations property, services or both.” In other words, when a customer sends out their laundry or orders food from Roundtable Pizza downstairs and is charged to the room, these items must be charged with a TAT.

We urge your UNfavorable disposition of this bill and thank you for allowing me to testify.